

STATE • INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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**PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR)
APPROVAL OF ANNUAL DEMAND,)
TAKE-OR-PAY, TRANSITION AND)
STORAGE AND TRANSMISSION)
COSTS TO BE APPLICABLE IN)
THE TWELVE-MONTH PERIOD,)
BEGINNING NOVEMBER 1, 2001)**

FILED

JAN 22 2003

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 41338-GCA 4

You are hereby notified that on this date, the Indiana Utility Regulatory Commission has caused the following entry to be made:

On January 14, 2003, the Indiana Office of Utility Consumer Counselor ("Public") filed its Motion for Extension of Procedural Schedule, which Motion is incorporated herein by reference.

The presiding officers, being duly advised in the premises, now find that said Motion should be granted. Therefore, Public should prefile its case-in-chief on January 31, 2003, and Petitioner should prefile any rebuttal evidence on February 28, 2003. The evidentiary hearing should be continued from February 20, 2003 to Thursday, March 13, 2003, at 10:30 a.m. in Room E306, Indiana Government Center South, Indianapolis, Indiana.

Further, The presiding officers now find that NIPSCO should respond to the following information requests of the Commission within 10 days of this entry:

1. In Cause No. 37399 GCA 75, a limited monthly GCA mechanism was approved for Citizens' Gas and Coke Utility that established a cap and floor for changes in gas costs of \$1.00 (the utility may not increase or decrease gas costs more than \$1.00 per Mcf when it files for monthly revisions to the rates that were approved in the Company's quarterly filing). Please "recompute" NIPSCO's monthly filings for GCA 3 to reflect the same limitation on gas price changes, and compare the resulting monthly percentage change in the typical customer's bill with the results approved for NIPSCO in each of its monthly filings for the GCA 3 period.

2. Currently, NIPSCO provides detailed testimony to support its GCAs on an annual basis. To facilitate the Commission's ongoing oversight of NIPSCO's monthly changes in its GCA rates and gas procurement strategies, more frequent filings detailing the reasons for increases and decreases to

GCA rates, discussions of major events in the gas markets and their affects on NIPSCO rates, changes in gas procurement strategies and updates on the composition of the Company's gas portfolio would be helpful. Would changing the Company's current method for filing monthly trackers back to a quarterly mechanism, with approved rates then flexed in three subsequent monthly filings, meet the Commission's need for more frequent and detailed information while continuing to preserve the benefits of timely changes in rates for the Company? Please explain.

3. Please describe generally the purchasing practices of NIPSCO in regard to gas supply. This should include, but not be limited to, describing how much gas is purchased under fixed prices, how much gas is purchased on the spot market, the use of storage gas and any hedging devices.

4. In both this cause and GCA3 there are large estimating errors for some months. Regardless of the cause of the errors, please explain what steps NIPSCO has taken to reduce errors of this type.

5. Please explain what NIPSCO does, if anything, to reduce the volatility of the price it charges customers for natural gas.

6. Please provide detail on the amount of savings, if any, to customers through the GCA resulting from the use of the GCIM-Gas Cost Incentive Mechanism.

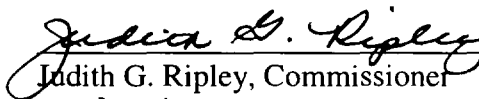
7. Regarding cost method for storage gas:

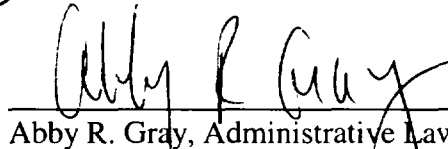
Q1: Please provide a basis for using LIFO costing for storage gas.

Q2: Please demonstrate how use of LIFO is beneficial to ratepayers.

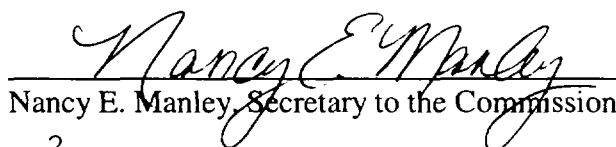
Q3: Under what circumstances would NIPSCO consider switching from LIFO to FIFO?

IT IS SO ORDERED.


Judith G. Ripley, Commissioner


Abby R. Gray, Administrative Law Judge

1/22/03
Date


Nancy E. Manley, Secretary to the Commission